

REAL ESTATE CONTRACT

THIS CONTRACT OF SALE is made by and between AUBREY W. ARNOLD and LOTTIE ANN ARNOLD, ("SELLERS"), and the CITY OF COLLEGE STATION, TEXAS, a Texas Home Rule Municipal Corporation, situated in Brazos County, Texas ("BUYER"), upon the terms and conditions set forth herein.

ARTICLE I PURCHASE AND SALE

1.1 SELLERS agree to sell and convey in fee simple by General Warranty Deed, and BUYER agrees to purchase and pay for Lot Two (2) and the adjoining 2' of Lot One (1), Block Twenty-one (21), Fourth Installment of College Hills Estates, an addition to the City of College Station, Brazos County, Texas, ("PROPERTY"), together with all and singular the rights and appurtenances pertaining to the PROPERTY, including all right, title and interest of SELLERS in and to adjacent roads, streets, alleys or rights-of-way (all of such real PROPERTY, rights, and appurtenances being herein referred to as the "PROPERTY"), together with SELLERS' interest in any improvements and fixtures situated on and attached to the PROPERTY, for the consideration and subject to the terms, provisions, and conditions set forth herein. This Contract by BUYER to purchase the PROPERTY is subject to approval by the City Council of the City of College Station, Texas; such approval indicated by signature of BUYER's representatives to this CONTRACT OF SALE.

1.2 BUYER has requested University Title Company furnish a Commitment for Title Insurance (the "Title Commitment") to insure title to the BUYER for BUYER's review together with legible copies of all instruments referred to in the Title Commitment. The BUYER shall request the title company to furnish these items to BUYER within fifteen (15) calendar days of the date of this Contract. BUYER shall have a period of five (5) business days (the "Title Review Period") after receipt of the Title Commitment, the copies of the instruments referred to in Schedule B as exceptions, within which to notify SELLERS of BUYER's objection to any item shown on or referenced by those documents (the "Reviewable Matters"). Any Reviewable Matter to which BUYER does not object within the Title Review Period shall be deemed to be accepted by BUYER. If BUYER objects to any such Reviewable Matter and gives notice to SELLERS as provided herein, SELLERS may at their election, on or before closing, attempt to cure same. If SELLERS fail to cure same by the closing date, or is unwilling to cure same, the closing date shall be extended for five (5) business days for BUYER to either (a) waive such objections and accept such title as SELLERS are able to convey or (b) terminate this Contract by written notice to the Title Company and to SELLERS, in which case the earnest money shall be refunded to BUYER, and neither SELLERS nor BUYER shall have any further rights or objections under this Contract.

1.3 (a) BUYERS, at their expense, will provide a survey of the PROPERTY, showing, without limitation, all adjacent property lines, record ownership of adjoining properties, encroachments, easements, rights-of-way and other encumbrances of record. The survey will reflect any encroachments onto or by the PROPERTY onto adjoining properties. BUYER shall have a period of five (5) business days (the "Survey Review Period") after receipt of the Survey within which to notify SELLERS of BUYER's objection to any item shown on or referenced on the Survey. Any Reviewable Matter to which BUYER does not object within the Survey Review Period shall be deemed to be accepted by BUYER. If BUYER objects to any such Reviewable Matter and gives notice to SELLERS as provided herein, SELLERS may at their election, on or before closing, attempt to cure same. If SELLERS fail to cure same by the closing date, or is unwilling to cure same, the closing date shall be extended for five (5) business days for BUYER to either (a) waive such objections and accept such title as SELLERS are able to convey or (b) terminate this Contract by written notice to the Title Company and to SELLERS, in which case any earnest money shall be refunded to BUYER, and neither SELLERS nor BUYER shall have any further rights or objections under this Contract.

(b) The survey drawing shall be addressed to and certified in favor of the BUYER and the Title Company. The field notes description, as prepared by the surveyor, shall be substituted for the description attached to this Contract and shall be used in the General Warranty Deed.

1.4 The parties agree that general real estate taxes on the PROPERTY for the then current year, interest on any existing indebtedness, and rents, if any, shall be prorated as of the closing date and shall be adjusted in cash at the closing. SELLERS alone shall be liable for any taxes assessed and levied for prior years resulting from any change in use subsequent to the conveyance to BUYER. If the closing shall occur before the tax rate is fixed for the current year, the apportionment of taxes shall be upon the basis of the tax rate for the next preceding year applied to the latest assessed valuation. All installments that have matured prior to the closing date on any special taxes or assessments shall be paid by SELLERS; and any installments that are provided in the special assessment to mature after closing shall be assumed by BUYER.

1.5 The sale of the PROPERTY shall be made by General Warranty Deed from SELLERS to BUYER.

ARTICLE II PURCHASE PRICE

2.1 The purchase price for said PROPERTY shall be the sum of SEVENTY-ONE THOUSAND AND NO/100 DOLLARS (\$71,000.00). The purchase price shall be payable in full at closing.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLERS

3.1 SELLERS hereby represent and warrants to BUYER as follows:

(a) SELLERS have the full right, power, and authority to enter into and perform its obligations under this Contract.

(b) SELLERS have no actual knowledge of any parties in possession of any portion of the PROPERTY, either as lessees, tenants at sufferance, trespassers, or other persons in possession. Additionally, SELLERS have no actual knowledge of any action by adjacent landowners, or any natural or artificial conditions upon the PROPERTY, or any significant adverse fact or condition relating to the PROPERTY, which has not been disclosed in writing to BUYER by SELLERS, which would prevent, limit, impede or render more costly BUYER's contemplated use of the PROPERTY.

(c) SELLERS have no actual knowledge of any pending or threatened condemnation or similar proceedings or assessment affecting the PROPERTY or any part thereof. SELLERS have no actual knowledge of any such proceedings or assessments contemplated by any governmental entity.

(d) SELLERS have no actual knowledge that the PROPERTY does not have full and free access to and from public highways, streets, or roads. SELLERS have no actual knowledge that there are pending or threatened governmental proceedings that would impair or result in the termination of such access. If SELLERS obtain actual knowledge of any such matter subsequent to the date of this Contract that would make any of the representations or warranties untrue if made as of closing, SELLERS shall notify BUYER, and BUYER shall have the election of terminating the Contract and receiving back its earnest money, in which case neither party shall have any further obligation to the other.

(e) The PROPERTY has not been illegally subdivided or otherwise held, managed, or maintained in violation of any federal, state, or local law.

(f) SELLERS have no actual knowledge that SELLERS have not complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions relating to the PROPERTY or any part thereof.

(g) If SELLERS obtain actual knowledge of any such matter subsequent to the date of this Contract that would make any of the representations or warranties untrue if made as of closing, SELLERS shall notify BUYER, and BUYER shall have the election of terminating the Contract and receiving back its earnest money, in which case neither party shall have any further obligation to the other.

(h) SELLERS have no knowledge that the PROPERTY contains any environmental hazard.

(i) SELLERS are not a "foreign person" within the meaning of the Internal Revenue Code of 1986, as amended, Sections 1445 and 7701 (i.e., SELLERS are not a non-resident alien,

foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined in the Code and regulations promulgated thereunder).

(j) To the best of SELLERS' knowledge there are no unpaid charges, debts, liabilities, claims or obligations arising from any construction, occupancy, ownership, use or operation of the PROPERTY, or the business operated thereon, if any, which could give rise to any mechanic's or materialmen's or other statutory lien against the PROPERTY, or any part thereof, or for which BUYER will be responsible.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER

4.1 BUYER represents and warrants to SELLERS as of the effective date and as of the closing date that:

(a) BUYER has the full right, power, and authority to purchase the PROPERTY from SELLERS as provided in this Contract and to carry out BUYER's obligations under this Contract, and all requisite action necessary to authorize BUYER to enter into this Contract and to carry out BUYER's obligations hereunder has been obtained or on or before closing will have been taken.

ARTICLE V CLOSING

5.1 After this contract is approved by the College Station City Council, the closing shall be held at University Title Company, 1021 University, College Station, Texas 77840, on or after March 2, 2001, but on or before May 31, 2001 (the "closing date").

5.2 At the closing, SELLERS shall:

(a) Deliver to BUYER a duly executed and acknowledged General Warranty Deed conveying good and indefeasible title in fee simple to all of the PROPERTY, free and clear of any and all liens, encumbrances, except for the Reviewable Matters and subject to the BUYER's election to terminate this Contract in the event BUYER disapproves of any Reviewable Matter, which objection is to be cured by SELLERS on or prior to the closing as provided by Article I of this Contract.

(b) Deliver possession of the PROPERTY to BUYER.

(c) Deliver to BUYER, at BUYER's expense, a Title Policy insuring marketable title issued by University Title Company, in BUYER's favor in the full amount of the purchase price, insuring BUYER's fee simple title to the PROPERTY subject only to such exceptions as shown on the Title Commitment and not objected to by BUYER prior to closing.

- (d) Pay any and all required property taxes and prorated taxes for the year 2000.
- (e) Pay the SELLERS' expenses and attorney fees.
- (f) Pay the following expenses, up to but not to exceed Two Hundred Dollars (\$200.00):
 - (1) one-half (1/2) of the escrow fees.
 - (2) Pay the costs to obtain, deliver and record releases or partial releases of all liens to be released at closing.
 - (3) Pay the costs to record all documents to cure title objections agreed to be cured by SELLERS.
 - (4) Pay the certificates or reports of ad valorem taxes.

5.3 Upon such performance by SELLERS at closing, BUYER shall:

- (a) Pay the balance of the purchase price and the below-listed closing costs.
- (b) Pay one-half (1/2) of the escrow fees.
- (c) Pay the cost to prepare the General Warranty Deed.
- (d) Pay the title insurance.
- (e) Pay the costs to obtain, deliver and record all documents other than those to be recorded at SELLERS' expense.
- (f) Pay the Buyer's expenses or attorney fees.
- (g) Pay the additional premium for the survey/boundary deletion in the title policy, if the deletion is requested by Buyer.
- (h) Pay the costs of work required by Buyer to have the survey reflect matters other than those required under this contract.

ARTICLE VI
SPECIAL CONDITIONS

6.1 The property is currently leased to Terry Becker. SELLERS represent to BUYER that SELLERS have informed the Lessee that Lessee's lease will terminate upon the sale of the property and that Lessee will be required to enter into a new lease with the BUYER effective from the date of closing on the property until May 31, 2001, at a monthly rental of \$10.00 per month. It is a condition precedent to BUYER'S obligation to purchase the property that Lessee execute a lease agreement with the BUYER in the form attached as Exhibit A and vacate the property on or before May 31, 2001. Regardless of the date of closing, in no event shall the lease extend beyond May 31, 2001.

ARTICLE VII
BREACH BY SELLERS

7.1 In the event SELLERS fail to fully and timely perform any of its obligations under this Contract or fails to consummate the sale of the PROPERTY for any reason except BUYER's default, BUYER may:

- (a) Enforce specific performance of this agreement;
- (b) Bring suit for damages against the SELLERS

ARTICLE VIII
BREACH BY BUYER

8.1 In the event BUYER fails to consummate the purchase of the PROPERTY (BUYER being in default and SELLERS not being in default hereunder), SELLERS shall have the right to enforce specific performance of this agreement.

ARTICLE IX
MISCELLANEOUS

9.1 Survival of Covenants: Any of the representations, warranties, covenants, and agreements of the parties, as well as any rights and benefits of the parties, pertaining to the period of time following the closing date, shall survive the closing and shall not be merged by deed or otherwise be extinguished.

9.2 Notice: Any notice required or permitted to be delivered by this Contract shall be deemed received when sent by United States mail, postage prepaid, certified mail, return receipt requested, addressed to SELLERS or BUYER, as the case may be, at the addresses set forth below:

SELLERS: Aubrey W. Arnold and Lottie Ann Arnold
P.O. Box 425
Wellborn, TX 77881-0425

BUYER: City of College Station
Legal Department
1101 Texas Avenue
College Station, TX 77840

9.3 Texas Law to Apply: This Contract shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created by this Contract are to be performed in Brazos County, Texas.

9.4 Parties Bound: This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns. The persons executing this Contract do so in their capacities as set forth below and in no other capacity whatsoever, and such persons shall have no personal liability for executing this Contract in a representative capacity. All such liability is limited to the principal for which they execute this document as a representative.

9.5 Invalid Provision: In case any one or more of the provisions contained in this Contract shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Contract, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in the Contract. In lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as part of this Contract a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

9.6 Construction: The parties acknowledge that each party and its counsel have reviewed and revised this Contract and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Contract or any amendments or exhibits hereto.

9.7 Prior Agreements Superseded: This Contract embodies the entire agreement of the parties and supersedes any and all prior understandings or written or oral agreements between the parties respecting subject matter within and may only be amended or supplemented by an instrument in writing executed by the party against whom enforcement is sought.

9.8 Time of Essence: Time is of the essence to this Contract.

9.9 Gender: Words of any gender used in this Contract shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

9.10 Multiple Counterparts: This Contract may be executed in a number of identical counterparts. If so executed, each of the counterparts shall, collectively, constitute but one agreement. In making proof of this Contract it shall not be necessary to produce or account for more than one counterpart.

9.11 Memorandum of Contract: Upon request of either party, both parties shall promptly execute a memorandum of this agreement suitable for filing of record.

9.12 Effective Date: This Agreement will be effective when signed by the last party whose signing makes the Agreement fully executed.

EXECUTED on this the 22 day of February, 2001.

SELLERS:

Aubrey W. Arnold
AUBREY W. ARNOLD

Lottie Ann Arnold
LOTTIE ANN ARNOLD

BUYERS:

CITY OF COLLEGE STATION

BY: _____
LYNN McILHANEY, Mayor

ATTEST:

CONNIE HOOKS, City Secretary

APPROVED:

THOMAS E. BRYMER, City Manager

CHARLES CRYAN, Director/Fiscal Services

CITY ATTORNEY

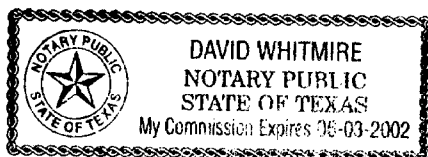
STATE OF TEXAS)
)
COUNTY OF BRAZOS) ACKNOWLEDGMENT

This instrument was acknowledged before me on the _____ day of _____, 2001,
by LYNN McILHANEY as Mayor of the City of College Station, a Texas Home-Rule Municipal
Corporation, or behalf of said municipality.

NOTARY PUBLIC in and for
the STATE OF TEXAS

STATE OF TEXAS)
)
COUNTY OF BRAZOS) ACKNOWLEDGMENT

This instrument was acknowledged before me on the 22 day of FEBRUARY, 2001,
by AUBREY W. ARNOLD and LOTTIE ANN ARNOLD.



David Whitmire
NOTARY PUBLIC in and for
the STATE OF TEXAS

SELLER'S TEMPORARY RESIDENTIAL LEASE

1. **PARTIES:** The parties to this Lease are the **CITY OF COLLEGE STATION** (Landlord) and **TERRY BECKER** (Tenant).
2. **LEASE:** Landlord leases to Tenant the Property described in a Real Estate Contract between Landlord as Buyer and Aubrey W. Arnold and Lottie Ann Arnold as Sellers, dated _____, said Property more commonly known as 103 George Bush Drive East, College Station, Texas 77840.
3. **TERM:** The term of this Lease commences on the date of closing on the sale and purchase of the Property, scheduled for March 2, 2001, and terminates May 31, 2001, a period equal to ninety (90) days, unless terminated earlier by reason of other provisions.
4. **RENTAL:** Tenant shall pay to Landlord the sum of **TEN AND NO/100 DOLLARS (\$10.00)** per month, as good and valuable consideration, for the term of the Lease to be paid at the time of closing as referenced in paragraph 3 hereinabove. Tenant will not be entitled to a refund of rental if this Lease terminates early due to Tenant's default or voluntary surrender of the Property.
5. **SECURITY DEPOSIT:** Tenant shall pay to Landlord the sum of **ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00)**, to be collected at closing, as a deposit to secure performance of this Lease by Tenant. Landlord may use the deposit to satisfy Tenant's obligations under this Lease. Landlord shall refund any unused portion of the deposit to Tenant with an itemized list of all deductions from the deposit within 30 days after Tenant (a) surrenders possession of the Property; and (b) provides Landlord written notice of Tenant's forwarding address.
6. **UTILITIES:** Tenant shall pay all utility charges.
7. **USE OF PROPERTY:** Tenant may use the Property only for single-family dwelling purposes. Tenant may not assign this Lease or sublet any part of the Property.
8. **PETS:** Tenant may not keep pets on the Property.
9. **CONDITION OF PROPERTY:** Tenant accepts the Property in its present condition and state of repair at the commencement of the Lease. Upon termination, Tenant shall surrender the Property to Landlord in the same or better condition than exists at the time of closing.
10. **ALTERATIONS:** Tenant may not alter the Property or install improvements or fixtures without the prior written consent of Landlord. Any improvements or fixtures placed on the Property during the Lease become the property of Landlord.
11. **SPECIAL PROVISIONS:** As the prior lessee of the Property, Tenant accepts and takes the Property "as-is," with actual or imputed knowledge of all conditions and defects, which shall include but is not limited to any conditions related to paragraphs 24 and 25. Tenant hereby acknowledges that Landlord will take no remediation measures with respect to paragraphs 24

and 25 and Tenant, as prior owner, has waived any complaint or claims due to the presence of asbestos or lead-based paint.

12. INSPECTIONS: Landlord may enter at reasonable times to inspect the Property.

13. LAWS: Tenant shall comply with all applicable laws, restrictions, ordinances, rules, and regulations with respect to the Property.

14. REPAIRS AND MAINTENANCE: Tenant shall bear all expense of repairing and maintaining the Property, including but not limited to yard, trees and shrubs, unless otherwise required by the Texas Property Code. Tenant shall promptly repair, at Tenant's expense, any damage to the Property caused directly or indirectly by any act or omission of the Tenant or any person other than Landlord, Landlord's agents or invitees.

15. INDEMNITY: Tenant indemnifies Landlord from and against any and all claims, losses, damages, causes of action, suits and liabilities of every kind to persons or property sustained or claimed to have been sustained by anyone by reason of the operation, use or occupation of the Property by Tenant, whether such use is authorized or not, or by any act or omission of Tenant or any of its officers, agents, employees, guests, patrons, or invitees, and tenant shall pay for all and any damage to the Property, or loss or theft of such property, done or caused by those persons. This indemnification includes attorney's fees, costs, and expenses incurred by Landlord.

16. HOLD HARMLESS and RELEASE: Tenant hereby releases and holds harmless Landlord from, including all expenses of litigation, court costs, and attorney's fees, for injury or death of any person, for damage to any property, or for any breach of contract, arising out of or in connection with this lease agreement.

17. INSURANCE: Tenant shall maintain insurance on the contents and Property during the term of this Lease. **NOTE: CONSULT YOUR INSURANCE AGENT PRIOR TO CLOSING.** Possession of the Property by Seller as Tenant may change insurance policy coverage.

18. DEFAULT: If Tenant fails to perform or observe any provision of this Lease and fails, within 24 hours after notice by Landlord, to commence and diligently pursue to remedy such failure, Tenant will be in default.

19. TERMINATION: This Lease terminates upon expiration of the term specified in Paragraph 3 or upon Tenant's default under this Lease. Tenant agrees to vacate the premises immediately upon termination.

20. HOLDING OVER: Tenant shall surrender possession of the Property upon termination of this Lease. Any possession by Tenant after termination creates a tenancy at sufferance and will not operate to renew or extend this Lease. Tenant shall pay **ONE HUNDRED AND NO/100 DOLLARS (\$100.00)** per day during the period of any possession after termination as liquidated damages and not as a penalty, in addition to any other remedies to which Landlord is entitled, including but not limited to all costs associated with a forcible entry and detainer action. At any time after the termination date, without demand or notice, the Landlord may at its option

enter into and upon the Property and repossess the Property, and expel Tenant and those claiming by, through, or under Tenant, and remove lessee's effects, if any, forcibly if necessary, without being deemed guilty of trespass and without prejudice to any remedy that Landlord otherwise might be entitled to.

21. ATTORNEY'S FEES: The prevailing party in any legal proceeding brought under or with respect to the transaction described in this Lease is entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees.

22. SMOKE DETECTORS: The Texas Property Code requires Landlord to install smoke detectors in certain locations within the Property at Landlord's expense. Tenant expressly waives Landlord's duty to inspect and repair smoke detectors.

23. SECURITY DEVICES: The requirements of the Texas Property Code relating to security devices do not apply to a residential lease for a term of 90 days or less.

24. ASBESTOS DISCLOSURE: The Property was constructed before 1981, and presumably asbestos-containing material is present in the Property. **THIS ASBESTOS DISCLOSURE NOTICE IS A DISCLOSURE OF KNOWLEDGE OF THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THAT MAY BE DESIRED. THIS NOTICE IS NOT A WARRANTY OF ANY KIND.**

25. LEAD WARNING STATEMENT: HOUSING BUILT BEFORE 1978 MAY CONTAIN LEAD-BASED PAINT, PAINT CHIPS, AND DUST CAN POSE HEALTH HAZARDS IF NOT MANAGED PROPERLY. LEAD EXPOSURES IS ESPECIALLY HARMFUL TO YOUNG CHILDREN AND PREGNANT WOMEN. BEFORE RENTING PRE-1978 HOUSING, LESSORS MUST DISCLOSE THE PRESENCE OF LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS IN THE DWELLING. LESSEES MUST ALSO RECEIVE A FEDERALLY APPROVED PAMPHLET ON LEAD POISONING PREVENTION. Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing. Lessor has not reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

_____ (Initial) Lessee has received the pamphlet *Protect your Family from Lead in Your Home*.

26. NOTICES: All notices under this Lease from one party to the other must be in writing and are effective when delivered by U.S. Mail postage prepaid or transmitted by facsimile machine as follows:

To Landlord:
CITY OF COLLEGE STATION
City Manager
1101 Texas Avenue
College Station, Texas 77840

To Tenant:
Terry Becker
103 George Bush Drive East
College Station, Texas 77840

EXECUTED on this the _____ day of _____, 2001.

LANDLORD:
CITY OF COLLEGE STATION

TENANT:

BY: _____
THOMAS E. BRYMER
City Manager

TERRY BECKER, Tenant

APPROVED:

Charles Cryan, Director of Fiscal Services

City Attorney